IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA RALEIGH DIVISION

IN RE:)	U.S. BANKRUPTCY COURT EASTERN DISTRICT OF N.C.
INTERNATIONAL HERITAGE, INC.))	CASE NO. 98-02675-5-ATS CHAPTER 7
INTERNATIONAL HERITAGE, INCORPORATED,)	CASE NO. 98-02674-5-ATS CHAPTER 7
Debtor.)	CIMU IER

DESIGNATION OF ITEMS TO BE INCLUDED IN RECORD ON APPEAL AND STATEMENT OF ISSUES

NOW COMES Claude Savage, and pursuant to Rule 8006 of the Bankruptcy Rules, provide the following Designation of Items to be included in the Record on Appeal and Statement of Issues:

Designation of Items to be Included in Record of Appeal

- 1. Trustee's Motion for Approval of Compromise and Settlement;
- 2. Order Allowing Motion for Approval of Compromise and Settlement;
- 3. Memorandum of Law in Opposition to Trustee's Motion for Approval of Compromise and Settlement; and
 - 4. Transcript of Hearing of May 31, 2000, before the Honorable A. Thomas Small.

STATEMENT OF ISSUES

1. Whether the Bankruptcy Court erred by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

rend 7/3/00 Am

2. Whether the Bankruptcy Court violated the Fifth and/or Sixth Amendments of the United States Constitution by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

This the 30th day of June, 2000.

NARRON, O'HALE AND WHITTINGTON, P.A.

John P. O'Hale Attorney for Defendant N.C. State Bar No. 6794 P.O. Box 1567 Smithfield, NC 27577 (919) 934-6021

CERTIFICATE OF SERVICE

I, John P. O'Hale, attorney for Claude Savage, certify that I served the foregoing document on the 30th day of June, 2000, upon the following parties, and in the manner below specified, by placing a copy thereof for each such party(ies) in a separate envelope bearing sufficient postage and depositing the same in the United States mail at Raleigh, North Carolina and/or by facsimile:

Wade Smith Melissa Hill Tharrington Smith 209 Fayetteville Street Mall Raleigh, North Carolina 27601

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Marjorie K. Lynch Bankruptcy Administrator P.O. Box 3758 Wilson, NC 27894-3758

This the 30th day of June, 2000.

John P. O'Hale Attorney for Defendant N.C. State Bar No.6794 P.O. Box 1567 Smithfield, NC 27577 (919) 934-6021